

INFORMATION REPORT

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SUBJECT Shortages in the DDR Nonferrous Metal Industry

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1. The DDR Ministry of Foreign Trade has informed the Ministry of Smelting and Ore Mining that delivery of the following imports cannot be guaranteed:

- Lead concentrate with lead content of 2,000 tons
- Tin ore concentrate with a tin content of 100 tons
- Nickel ore concentrate with a nickel content of 100 tons.

2. Realization of the DDR planned production of copper is endangered by the fact that domestic sources of ore have not, to date, met their quotas; in the first two months of 1952, the copper production plan was fulfilled by only 80 percent - a result of the low quantity and quality of the ore supplied.

3. Current deliveries of scrap metal are in line with established quotas with the exception of deliveries of scrap lead. VHZ Schrott is scheduled to deliver 12,000 tons of scrap lead in 1952; deliveries during the first two months of this year amounted to only 75 percent of the required amount.

4. According to plan, the following amounts of metal ingots are to be imported in 1952:

- 10,000 tons of copper
- 3,600 tons of aluminum and alloys
- 9,300 tons of crude zinc
- 500 tons of crude and refined tin
- 500 tons of nickel.

It is not known to what extent these import figures can be realized. In 1951, however, only 72.8 percent of the plan for semi-finished products could be filled because of failure to meet import quotas. Experience in 1951 further demonstrated that if the import plan is not met, the DDR metallurgical industry suffers in order that the SAG plants may receive complete

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supply deliveries. For this reason, the Ministry of Smelting and Ore Mining has proposed that domestic and import quotas be merged completely, and that distribution of supplies from both stocks be undertaken in proportion to quota claims if supply plans are not met.

5. In 1951 the production of lead was 3,000 tons under the figure called for in the plan. The recasting contracts approved by VHZ Schrott also amounted to 3,000 tons. If, according to the rearrangement (sic), the approvals for recasting are carried out by the State Secretariat for Material Supply in 1952, it may be expected that still more recasting will be done. The State Secretariat will approve such recasting in the current year, especially for lead destined for the chemical industry, since it sees no other possibilities of supplying this customer. If the 1952 plan is to be met, the scrap metal plan must be fulfilled. To this end, the Ministry of Smelting and Ore Mining has suggested either that no more recasting work be approved and the scrap allocated for recasting remain with VHZ Schrott, or that recasting contracts contribute to the fulfillment of the metallurgical production plan. The latter proposal would guarantee the necessary supplies. At present the situation is such that, because of lack of supplies, the recasting cannot be carried out by the metallurgical industry.
6. The unequal distribution of metal production in the past year demonstrated that herein lies one cause of the non-fulfillment of the non-ferrous metal production plan, especially the low production of semi-finished commodities. One example of this follows: on the one hand, pure aluminum sheets are offered by SAG Hettstedt. Factories of the metallurgical industry could deliver these as pure aluminum plated sheets for the same purpose; on the other hand, metallurgical industry plants could not obtain their supply quotas, as demonstrated in the following table (for example, sufficient pure aluminum is not available for foil production):

Pure Aluminum Supply in First Quarter 1952, in tons

<u>Plant</u>	<u>Quota for 1952</u>	<u>Amounts delivered in</u>			<u>Total</u>
		<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	
Rackwitz	4,694*	22	45	41.5	108.5
Merseburg	500		15	20	35
BMW (sic)	600			5	5

Comment: Of this amount, 710 tons are to be imported.